

ROUTING AND RECORD SHEET

SUBJECT: (Optional)					
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				5/8/77	
TO: (Officer designation, room number, and building)		DATE		OFFICER'S INITIALS	
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1.	C/AG		5/12	ANS	
2.	D/comp		5/12	LH	
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4.	C/AG				
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Memorandum for the Record

Subject - Personnel Briefing to SSCI

1. On 8 May I attended a briefing on the proposed new Agency Compensation and Benefits System given by [] to the SSCI staff. This was the third time Ed has briefed the SSCI on this subject, but the first two briefings were basically conceptual. In attendance were John Nelson and Charlie Battaglia, SSCI; Tom Schultz, GAO detailee to SSCI: [] OCOMP.

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2. Before embarking on his briefing [] asked SSCI staffers if they felt the HR 2112 Presidential Commission to study Intelligence Community personnel systems is directly related to the Agency Personnel project? Nelson responded that HPSCI is pushing for the study. They never liked pay banding and question whether the CIA has unique personnel compensation and benefits needs. Battaglia stated that the 2112 is going to conference and that the SSCI opposes it, seeing it as a delaying tactic. SSCI staffers stated that their committee has accelerated its personnel study and asked Tom Schultz to work with them to complete it by July 1987. Nelson stated that the fact that NSA claims they don't have problems recruiting and training quality analysts makes it more difficult for the Agency to make a case.

3. [] gave a background on the Personnel study to date. Study groups were formed to work various issues, including 23 occupational panels. To date, they have published a 300-page draft report defining the system in broad terms. The task force held a 4-day offsite to review and critique the report. Other offsites are scheduled for 18 May to review salary scales and on 8-9 June to review the plan. The Task Force will submit its report to the Agency on 25 June and it will be distributed to the Directorates. Each Directorate has a steering group which will be reviewing the plan during the month of July. Once it has been reviewed Cohen hopes to get the Deputy Directors together at an offsite to express any final concerns. [] stated that he is keeping DIA, NSA, OPM, OMB, SSCI, and HPSCI informed of changes in the plan as they develop.

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4. The following is an outline of [] briefing. He stated at the briefing that he had not yet briefed the Agency on some of the material.

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Job Classification

More flexible job classification system - instead of FES use Agency work element system

No PMCD - delegate classification authority to DDs (NSA and DIA moving in that direction)

Move from 3 personnel constraints (average grade, ceiling control, budget control) to ceiling and budget control or just budget control

Flexible Pay System

Annual increase (instead of 1,2 or 3 year depending on GS step level)

Open Pay Range (no intervals like GS Steps)

Compensation consisting of combination of permanent increases and bonuses

Salary distribution guideline - midpoint of level is worth of job (employees new in level moved quickly to middle - movement slows down at upper end of level)

Evaluation

Panels (either peer or management) will rank personnel

Performance-Based Pay

System goal - monetary performance recognition for 50 percent of employees - compared to current 10-11 percent ?

Expert-Management Track Incentive Pay Program - bonus program for GS 14-15 level employees similar to today's SIS bonus program

Expand SIS Bonus Program - they feel any executive bonus program should reward a larger percentage than allowed today. If the executive's not performing at the expected level, fire him.

Team Project Incentive Program - each DD will designate "key" projects. People working on these projects will be rewarded from the bonus pool allocated to the project.

Determining Occupational Salaries

Periodic market survey of salaries paid in industry

Some cannot be market priced - must place internal value in pricing

Periodic realignment of salaries for high or low demand occupations

Career Development

Handbooks detailing skills, experience, training required for specific jobs

Separate Salary from status ?

Required individual career development plans

Broaden the skill base of non-officers to provide them with lateral mobility

Dual track - Expert and Management

Retention Tools

Tuition assistance for employee dependents

Annual leave balance used for education tuition equity ?

Retirement Changes for Managers and Experts

Early retirement for managers - out of concern for Agency "plateauing" We need to create headroom for the "next generation"

Early retirement for special technical types - would have to identify occupations

Reward the Work Ethic

Compensate people who lose annual leave (convert leave to cash?)

Convert forfeited AL to SL or to an Agency "sick leave bank"

Raise the limit on the number of AL hours you can carry over by 120 hours

Allow SIS to cash in annually AL balance above a certain level

Place money derived from AL in tax-favored accounts

Additional Employee Benefits

Flexible benefit approach

"Cafeteria approach" to tailor benefit program to employee needs

4. ☐ stated that he was not sure which of the proposed benefits would require legislation and realized that we need HPSCI and SSCI approval and support even if we have the "authority." One issue which would require legislation is the proposed methodology for calculating the "high 3" average salary for retirement purpose. The Task Force proposes that the calculation be made on the combination of salary and bonuses for the 3 target years.

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5. The following are questions raised and responses:

Battaglia - Won't the additional responsibilities placed on managers require extensive training? Wouldn't they be ill-prepared today?

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[] - We recognize this as a problem and plan to focus on management training

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Battaglia - Won't you need to increase human resource personnel?

[] - Yes, we're planning to do that

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Battaglia - The proposed compensation is far more complex than the the GS scale. Won't you have problems selling it? explaining it to employees? getting managers to execute it?

[] - We realize that it seems complex, and plan to ensure that all employees and managers understand it.

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Nelson- Do you have the computer resources you will need to implement the system?

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[] - Yes we have what we need. [] added that we would need to either modify the existing payroll system and some personnel systems or redesign them to accommodate changes. [] stated that we were upgrading the payroll system and combining it with the personnel system (and maybe even the people).

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Nelson - What do you plan to do with disgruntled employees? Is there an appeal process?

[] - The Agency plans to set up an appeal mechanism.

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Bataggia - What are the current plans for implementing the system?

[] - We'll use a phased approach for the conversion. The first occupational group to be converted will probably be the DO case officer with the rationale "if it works for the princes and princesses, there's no reason it shouldn't work for others."

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Bataggia - What do you hope to achieve overall by these changes?

[] - "Take care of getting people to come and stay in government."

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8-11-87

OCA 87-1948
8 May 1987

MEMORANDUM FOR THE RECORD

SUBJECT: SSCI Update on Personnel Compensation Task Force

1. Today, [] briefed John Nelson, Charlie Battaglia, SSCI staff and Tom Schultz, GAO detailee to the committee, on the status of the Agency personnel compensation task force, which he heads. [] Office of the Comptroller, and the undersigned were present also.

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2. Before the briefing, [] expressed his concern about a section of the HPSCI Intelligence Authorization bill which establishes a Presidential commission to study the personnel practices of the Intelligence Community. Battaglia and Nelson were aware of the provision and said that they viewed it with concern as well. They indicated they hoped to counter the provision and, to that end, their committee has revitalized its personnel study and asked Tom Schultz to help them complete it by July. They said that they expect to reach some accommodation with the HPSCI in conference with respect to the troublesome provision.

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3. [] then proceeded to give them an update on the status of the task force. He said that occupational panels have reviewed 17 large positions and six small ones. At a recent off-site conference those findings, along with preliminary principles, were critiqued by a group from the task force leadership. There will be two more off-site conferences to discuss salary and to take a second cut at the report. His plan is to submit a preliminary plan to Agency management on 25 June. Each directorate will study and comment on the preliminary plan during the month of July. At the end of July the task force will incorporate the Directorates' comments and brief the results to the Deputy Directors. He noted that he will meet with OMB, OPM, SSCI and HPSCI as this schedule proceeds.

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4. [] then provided details on some of the major concepts which the task force has developed in its plan so far. The staff asked questions and commented as he proceeded. [] key points were that the new personnel plan would include a new pay scale, a flexible classification system, and a more flexible pay system, based on performance. It would also include banding of occupational groups, career development initiatives, retention tools and work ethic improvements. He said that some of the proposals may require legislation and others may not. In any event, he said that the committee would have to approve them and that is why he was giving them all of the details as the task force is developing them. He emphasized that he has met with OPM to brief them on the task force and received their approval to proceed. In addition, he has spoken with top personnel officers at NSA and DIA who support our effort. Both organizations believe that they have their own unique needs but they applaud the desire on our part to move ahead to work on our future personnel needs.

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5. Nelson indicated that the committee is concerned that the backlog of polygraph reexaminations is eliminated and that the CI staff is up to speed. If they are not, then other personnel initiatives such as this one will be in difficulty. Nelson also asked whether the personnel report will be prepared in time to include any increased funding requirements and [] said that he believed that it would. [] concluded by saying that he would continue to keep the staff up to date on the progress of the task force.

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Office of Congressional Affairs

OCA/Senate/ [] (11 May 87)

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